

Practice and Revision Kit

November 2016 Edition

For exams in June 2017, September 2017, December 2017 and March 2018

Updated: 8 June 2017

Page	Details
21	In scenario, item (3) under heading Eu should read 'The tax written-down value of the capital allowances main pool at 1 July 2018 was £5,883. On 15 September 2018 Eu purchased office furniture for £2,400. All of the items included in the main pool were sold for £5,175 (all for less than cost) on 30 September 2018.'
44	In scenario, first sentence under heading Bon should read 'Bon has been the sales director of Alphabet Ltd since 1 February 2017, having not previously been an employee of the company although she had been a shareholder since 1 March 2015.'
55	In scenario, second sentence in penultimate paragraph should read 'Marcus's wife has not made any gifts during her lifetime'.
56	In question 153, references to Jerome should read Marcus.
64	In scenario, in Greenwich plc's results for the year ended 31 March 2017, interest income should be £2,000 and qualifying charitable donations should be £5,000.
112	The answer to question 65 should be £15,200. The basic rate limit is $£(32,000 + 49,000) = £81,000$ so all of Anne's taxable income is within the basic rate band. Her income tax liability is therefore $£76,000 \times 20\% = £15,200$.
139	In computation of the maximum gross personal pension contribution possible in 2016/17 for John , 2016/17 (tapered) should read 'Adjusted income = $£(212,573 + 18,000 + 12,000) = £242,573$ which is at least £210,000 so minimum annual allowance applies'. This does not change the amount of the annual allowance for 2016/17 which remains £10,000.
150	In question 115, first sentence of the explanation should read 'Bon only became a director on 1 February 2017, so this qualifying condition was not met for one year prior to the date of disposal.'
163	In the answer to question 153, references to Jerome should read Marcus.
213	The instructions for Mock Exam 1 should read 'This paper is divided into three sections:'
245	The instructions for Mock Exam 2 should read 'This paper is divided into three sections:'

Page	Details	Marks
259	<p>The marking scheme for Question 31 Sarah should read as follows:</p> <p><i>Income tax liability</i></p> <p>Director's remuneration ½</p> <p>Dividends ½</p> <p>Personal allowance ½</p> <p>Basic rate on earnings ½</p> <p>Nil rate on dividends 1</p> <p>Basic rate on dividends 1</p> <p><i>National insurance contributions</i></p> <p>Class 1 employee 1</p> <p>Class 1 employer 1</p> <p><i>Corporation tax</i></p> <p>Trading profit ½</p> <p>Director's remuneration ½</p> <p>Employer's Class 1 NIC ½</p> <p>Corporation tax ½</p> <p>Total tax cost if incorporates 1</p> <p>Overall tax saving 1</p> <p style="text-align: right;"><u>10</u></p>	